A CASE FOR LEADERSHIP IN A DYNAMIC PROFESSION

Jonathan K. Bahe, Assoc. AIA | Associate Consultant, The Greenway Group

Graduate Student | University of Washington

Master's Thesis:

Perspectives on Talent in the Architecture Profession

Associate Consultant | The Greenway Group

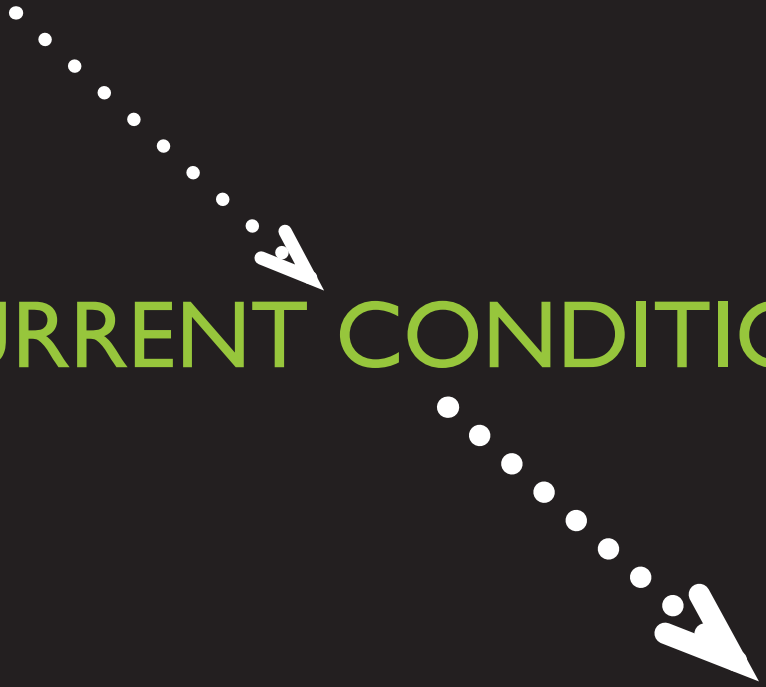
Intern Architect | DLR Group

8 5 4 9 7 6 3 2 0

What is the reason for the logical sequence of these numbers?

The Architecture and Design Professions are in the midst of a massive shift

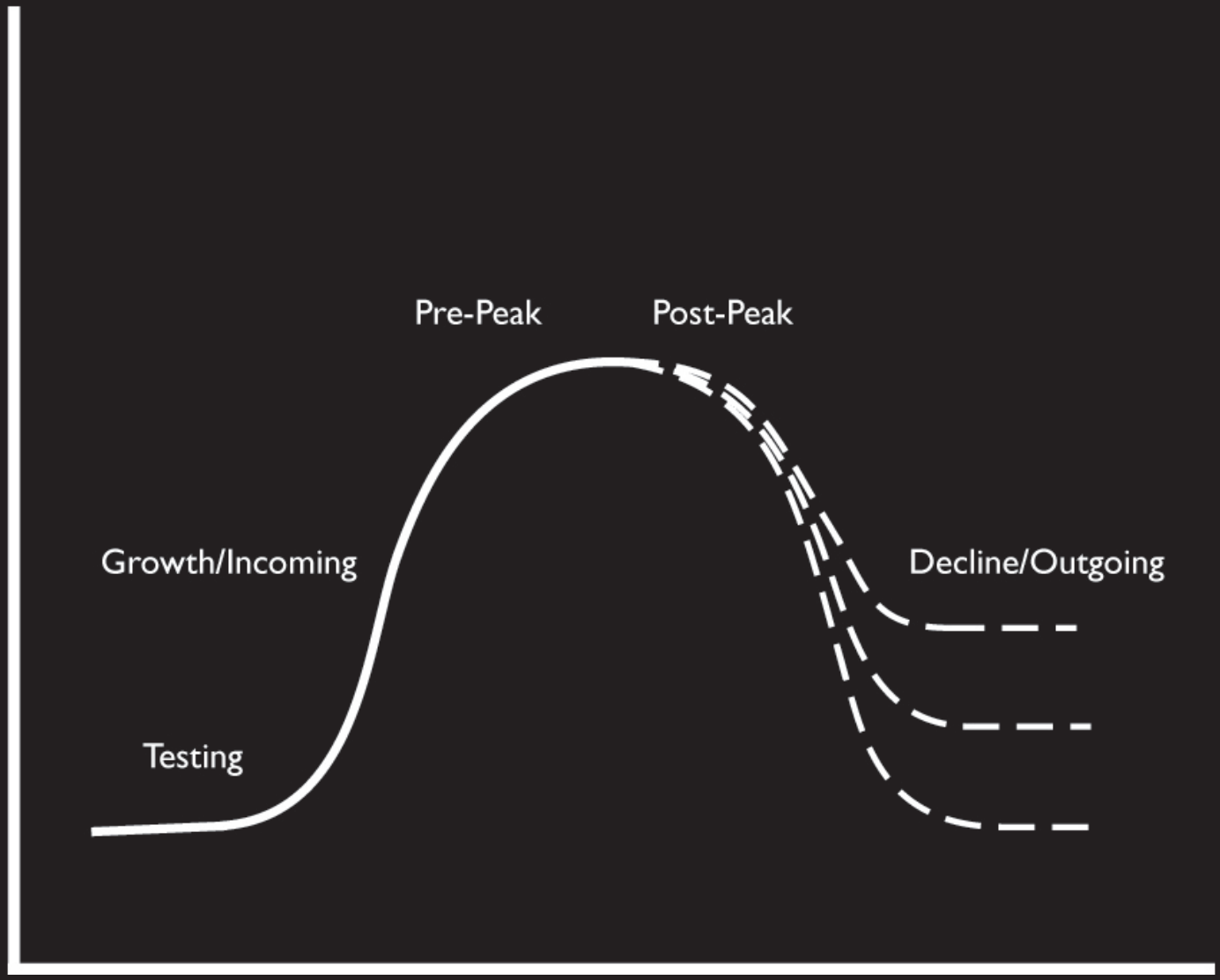
PAST CONDITION



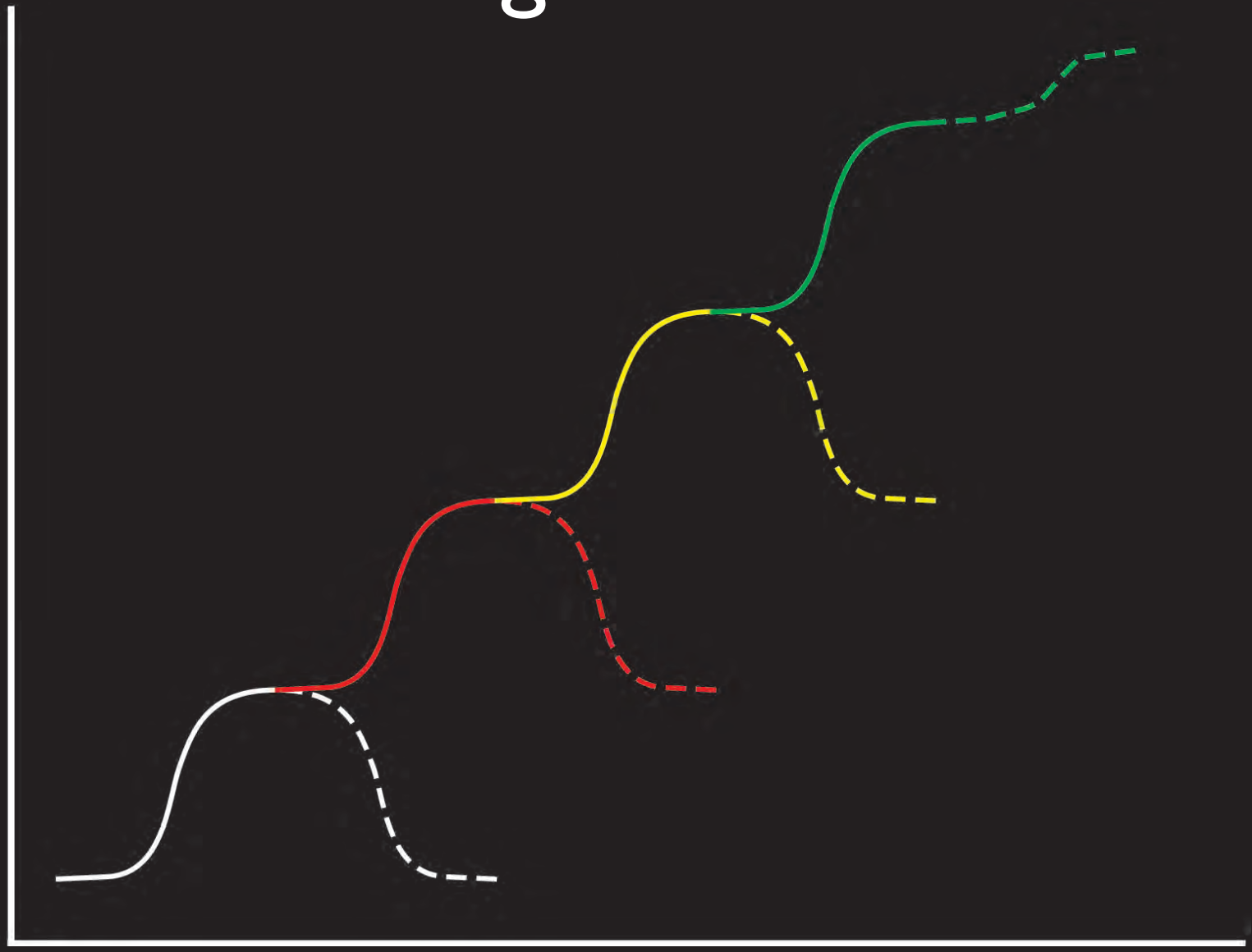
CURRENT CONDITION

FUTURE CONDITION

Life Cycle Analysis



Strategic Renewal



Game Changing Shifts Require Strategic Choices

You can be the victim of economic and structural shifts

or

You can be the inventor of strategic success and satisfaction

Understanding context is the first step to winning the New Game of Architecture

LOST & FOUND
"Our firm has lost its vision."

Design Futures Council
Trends Analysis Program (TAP)

1. Monitor and abstract from internet & publications key subject areas on design, technology, economy, environment, demographics

2. Develop implications for the future of the design professions.

3. Objective futurism "helps us forget what we think we know & open our minds to what we now need to know"

THE WALL STREET JOURNAL.

BusinessWeek

THE ASSOCIATED GENERAL CONTRACTORS
AGC
OF AMERICA

Mc
Graw
Hill

Design
Futures
Council

U.S. GREEN BUILDING
COUNCIL

Greenway Group

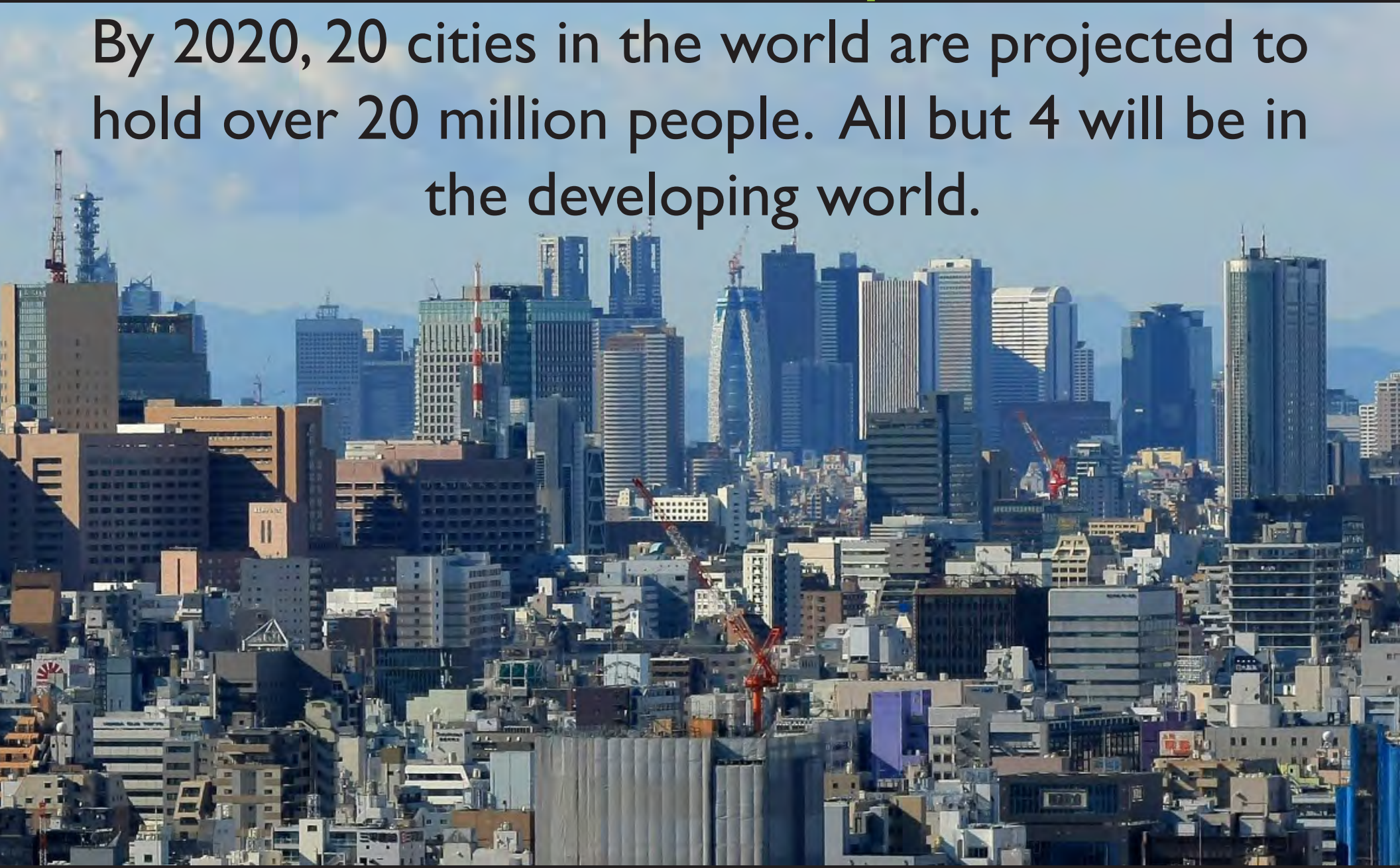
Rocky Mountain Institute

GSA

ACEC
American Council of Engineering Companies

TAP Context: Population

By 2020, 20 cities in the world are projected to hold over 20 million people. All but 4 will be in the developing world.



TAP Context: Population

World Population today: 6.6 billion people

Only 905 million people live a lifestyle common to the United States

TAP Context: Growth

By 2050, world population will grow to about 9.2 billion people.

TAP Context: Economy

Average time on the S&P 500

1920 - 68 years
1960 - 39 years
2000 - 19 years
2005 - 9.7 years

TAP Context: Economy

By 2020, more than 3/4 of the S&P 500 will consist of countries we do not know today.

Ironically, the S&P will likely not exist either.

TAP Context: Economy

Things are improving...

- Stock market has rebounded significantly since March
- ~80% of federal stimulus money has yet to be spent
- Financial markets and credit conditions are slowly improving
- Consumers are beginning to feel more positive about economic outlook

TAP Context: Economy

...but we aren't there yet

- While the recession is likely over, the upturn will be relatively weak
- Payroll losses still mounting & unemployment still high
- Wealth losses are substantial & limit consumer spending
- Export options limited as most international economies are also weak
- Federal deficit will take years to resolve
- Extraordinary financial stimulus may generate inflations for years to come

TAP Context: Economy

Architects and their employees in today's architecture and engineering firms make up less than 1/10th of 1 percent of the US population.

And this percentage is shrinking!

TAP Context: Economy

Job losses in overall economy: -5.2%

Job losses in A/E industry: -15.1%

Job losses in construction industry: -20.5%

TAP Context: Economy

AIA Non-Residential Construction Outlook

	2009	2010
Non-residential	-15.8%	-11.6%
Commercial	-24.9%	-15.4%
Institutional	-5.8%	-2.5%
Office	-21.5%	-17.3%
Hotel	-28.0%	-12.6%
Retail	-25.8%	-16.8%

TAP Context: Fees

2007: $38.1 billion

2008: $36.5 billion

2009: $29.7 billion

"How were we ever profitable
before the BIM-integrated iPhone?"

TAP Context: Internet

Started in 1998

19,665 employees

Revenue - FY09 Q3
$5.94 billion

TAP Context: Internet

Created in 2005

Bought by Google for $1.65 billion in 2006

Over 1 billion views/day

20 hours of video are uploaded every minute

TAP Context: Social Media

facebook		twitter
2,290,512,524	Visits/Day	144,661,590
124,579,479	Visitors/Day	23,538,791
+1,000,000,000	Messages/Day	+4,000,000 Past 5 billion on Monday
+202%	Yearly Growth	+660%
~$6,500,000,000	Estimated Value	~$1,000,000,000

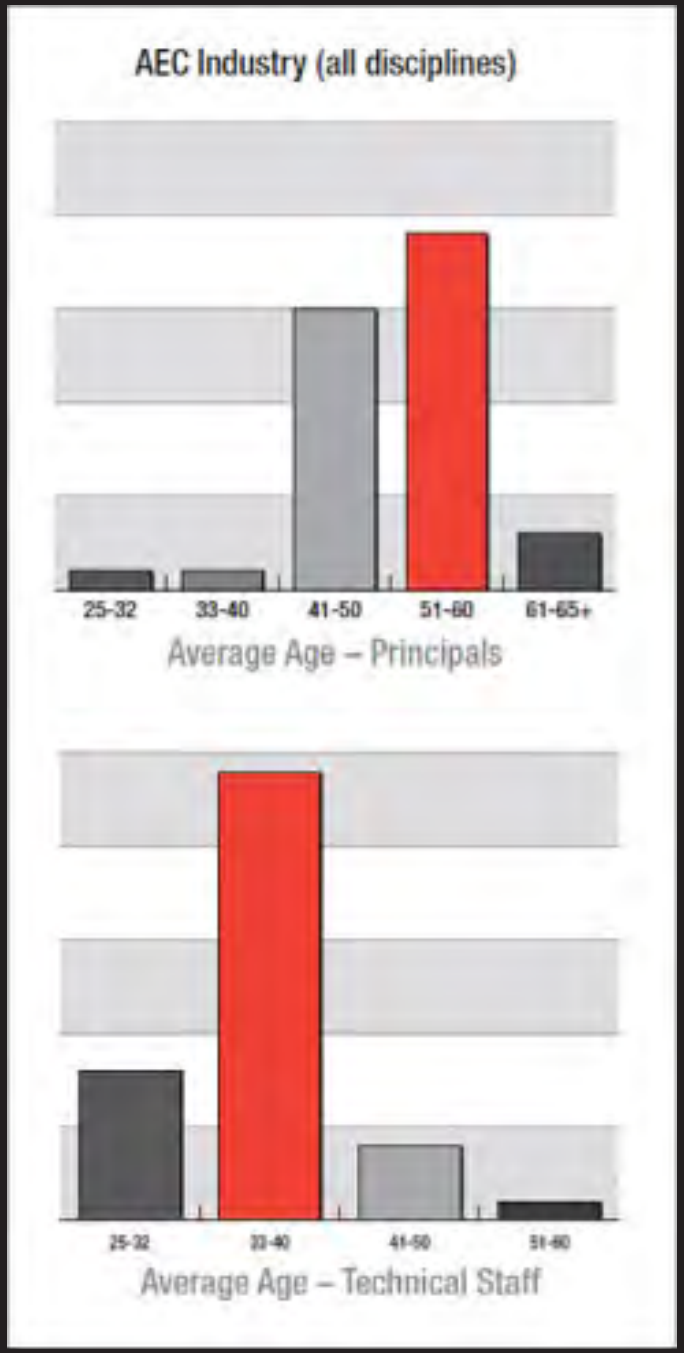
"Am I a twit if I tweet or if I don't tweet with twitter?"

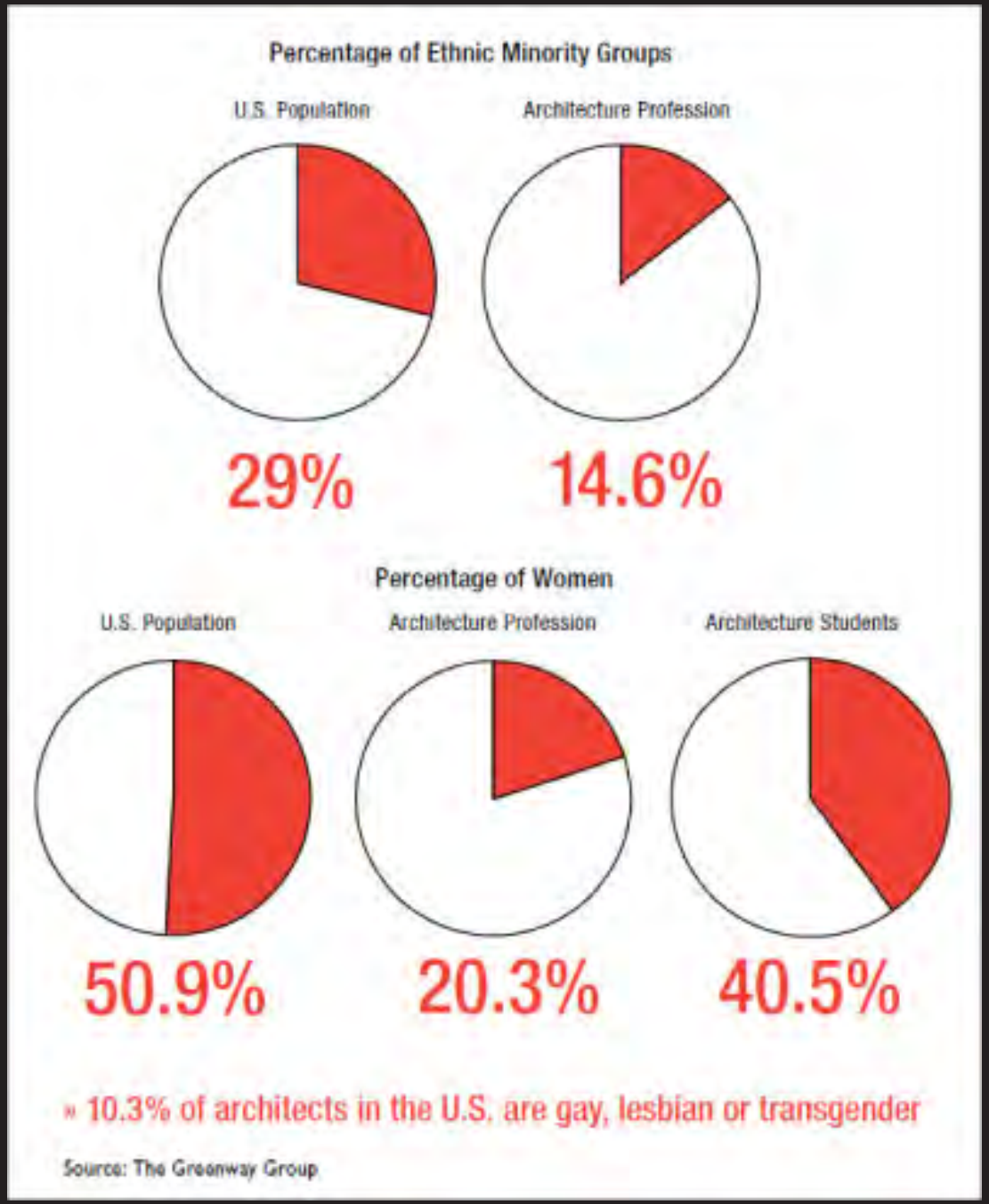
TAP Context: Demographics

Total Employees in Architecture Firms:
223,000 (trending down)

Total Licensed Architects in US:
112,000 (flat to down)

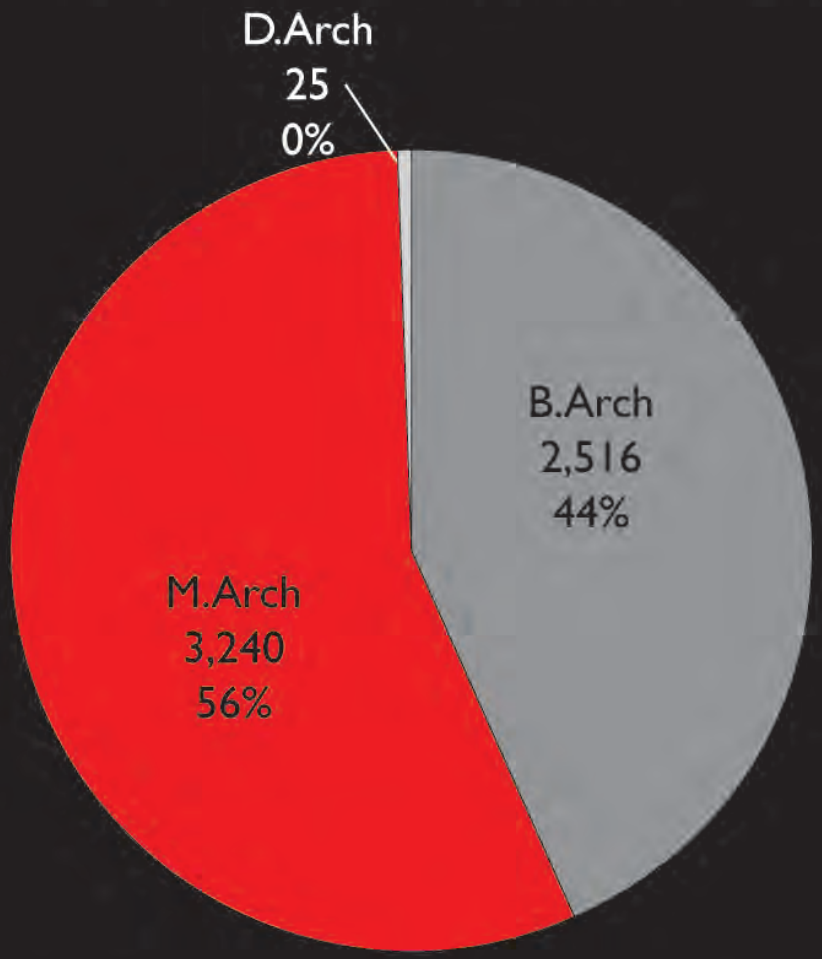
Total Licensed Architects in Professional Practice
+/- 76,000


AEC Industry (all disciplines)
25-32
33-40
41-50
51-60
61-65+
Average Age – Principals
25-32
33-40
41-50
51-60
Average Age – Technical Staff


Percentage of Ethnic Minority Groups
U.S. Population
Architecture Profession
29%
14.6%
Percentage of Women
U.S. Population
Architecture Profession
Architecture Students
50.9%
20.3%
40.5%
» 10.3% of architects in the U.S. are gay, lesbian or transgender
Source: The Greenway Group

TAP Context: Demographics

Degrees Awarded in 2007-08 Academic Year from NAAB-Accredited Programs



Source: 2008 NAAB Report on Accreditation in Architecture Education - May 2009

TAP Context: Demographics

But how many will get licensed??

About 2,500 interns enroll in IDP each year.

Perhaps 85%??

And then what?

TAP Context Shifts

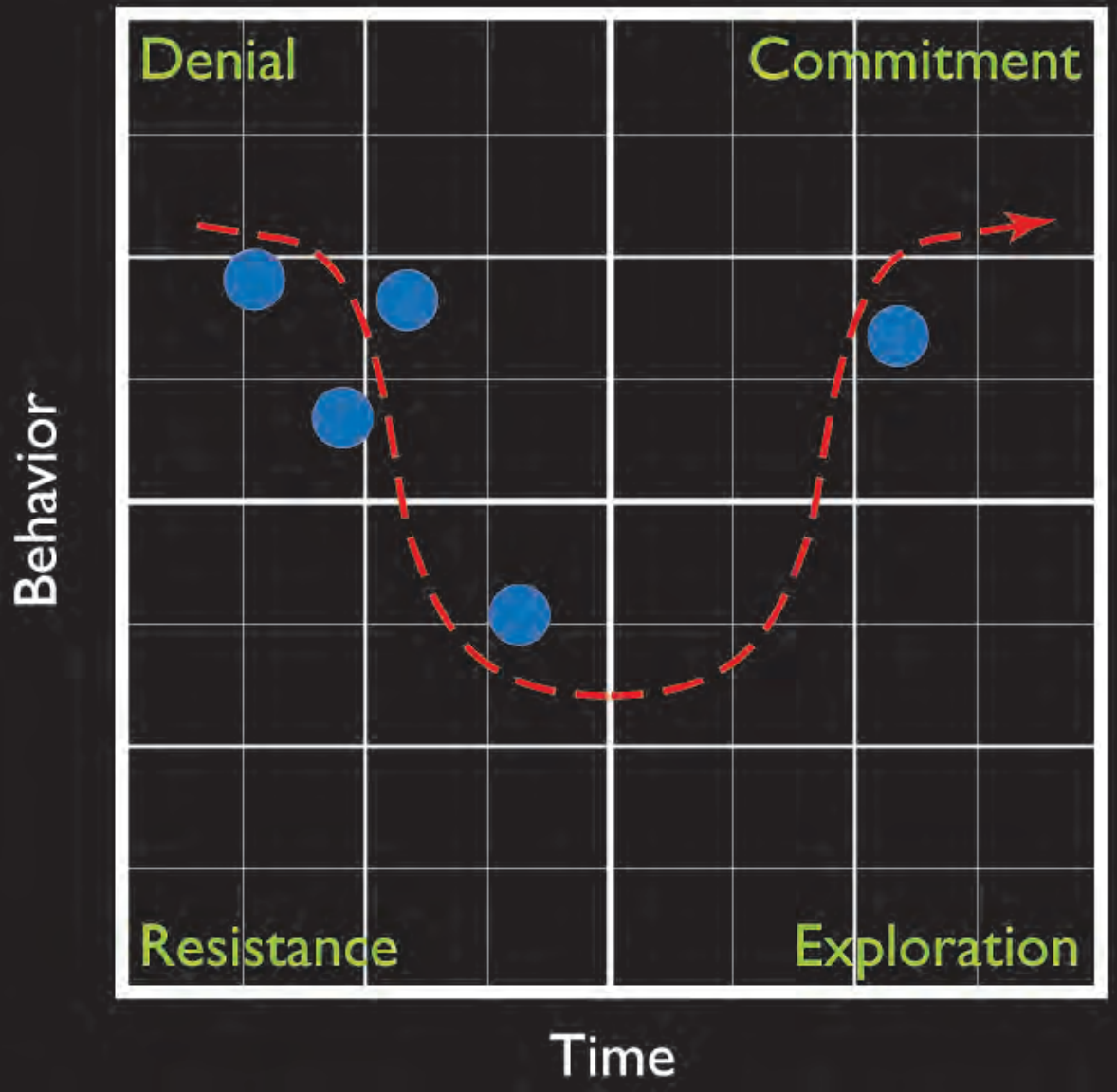
Past Condition

- Growing markets
- Dominance of private funding
- Baby Boomer leadership
- Solo artist
- Mono-cultures
- Solving discrete problems
- Stable professions
- Monolithic infrastructure
- "Starchitecture"
- Linear processes
- Mixed media tech
- Design for average clients

Future Condition

- Shrinking markets
- Dominance of public funding
- Generation X leadership
- Design teams
- Diversity in firm cultures
- Managing ongoing dilemmas
- Dynamic entrepreneurial
- Agile ad hoc infrastructure
- Integrated delivery team
- Simultaneous processes
- BIM dynamic sharing
- Design with expert clients

Resistance to change in professional practice



Talent, like innovation and creativity, is highly desired, yet rarely understood or effectively nurtured within organizations.

A War for Talent

"The most important corporate resource over the next 20 years will be talent: smart, sophisticated business people who are technologically literate, globally astute, and operationally agile. And even as the demand for talent goes up, the supply of it will be going down."

Attracting Applicant in the War for Talent: Differences in Work Preferences among High Achievers, Trank, Rynes, Bretz, Jr., 2002

A War for Talent

Students with very high cognitive abilities & strong records of extracurricular activities prefer "investigative" occupations involving analytical or intellectual activity aimed at problem solving and the creation or use of new knowledge.

Attracting Applicant in the War for Talent: Differences in Work Preferences among High Achievers, Trank, Rynes, Bretz, Jr., 2002

The War for Talent

If it takes months or years to get them up to speed and into meaningful roles in your firms or in our profesion, we will have serious problems keeping high-potential Millennials engaged and growing.

The War for Talent

The unfortunate mathematical fact is only 10% of the people are going to be in the top 10%.

So, you have a choice.

You can all chase the same supposed talent. Or you can build an organization that helps make it possible for the other 90% to perform as if they were in the top 10%.

From *The Mismanagement of Talent* (2004) by Brown and Hesketh quoting O'Reilly and Pfeffer (2000)

The War for Talent

The share of the U.S. workforce that has a post-high school education is not expected to change in the next twenty years.

According to 2007 Dept. of Education statistics, only 31% of 8th graders are at or above "proficient" levels on standardized math testing.

The War for Talent

70 million Millennials

≠

44 million Gen X

≠

77 million Baby Boomers

1000 Baby Boomers turn 60 every 14 minutes.

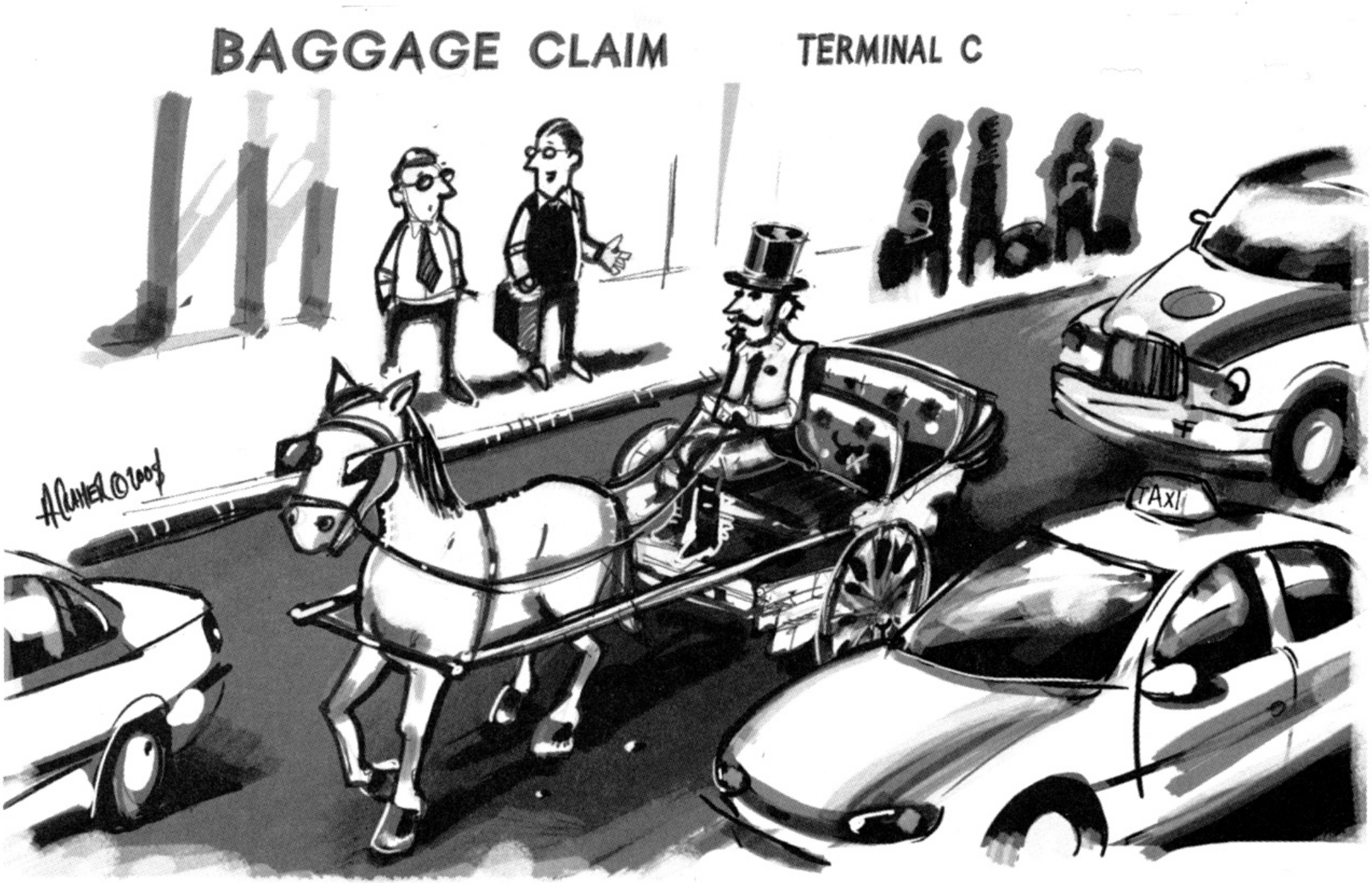
The War for Talent

slow bureaucracies → nimble teams

age-driven advancement → merit-based leadership

centralized control of information → socialization of information

satisfaction with status-quo → culture of entrepreneurialism



"I guess it's true what I heard about this firm wooing interns."

The Next Generation

The Millennials are the most diverse generation in history in terms of ethnic heritage, geographic origins, ability/disability, age, language, lifestyle preference, sexual orientation, color, size, and every other way of categorizing people.

The Next Generation

The Millennials will be more difficult to recruit, retain, motivate, and manage than any other generation to enter the workforce.

The Next Generation

The only world which Millennials know is defined by perpetual and rapid change, instantaneous response is the only meaningful time frame.

The Next Generation

Millennials want to learn what they need to learn when they need to learn it.

To them, Web-based search technology, online resources, social networking, and wiki tools are everyday tools like the telephone.

The Next Generation

The information tidal wave can inundate us all with more data in one day than anyone could possibly sort through in a lifetime. But this doesn't make Millennials feel overwhelmed or uninformed.

Rather, it makes them would-be experts on everything.

The pace of everything is accelerating to the point where we expect immediacy in all of our doings. But this doesn't make Gen Yers feel slow.

Rather, it makes them impatient.

The Next Generation

Uncertainty is their natural habitat.

Globalization does not make Millennials feel irrelevant.

It makes them feel enlightened.

The Next Generation

Millennials will not wait until they climb the ladder to build relationships with important leaders, managers, clients, vendors, or coworkers.

They want access right away.

The Next Generation

"All the stuff you've forgotten, I'll never have to know. Half the stuff you remember, I'll never have to know. That just means I'm way past halfway to catching up to you. It's the obsolescence curve getting steeper and steeper."

From *Not Everyone Gets A Trophy, How To Manage Generation Y* by Bruce Tulgan (2009)

The Next Generation

They want to explore and do different kinds of work in order to learn about themselves and to express their individuals values.

The Next Generation

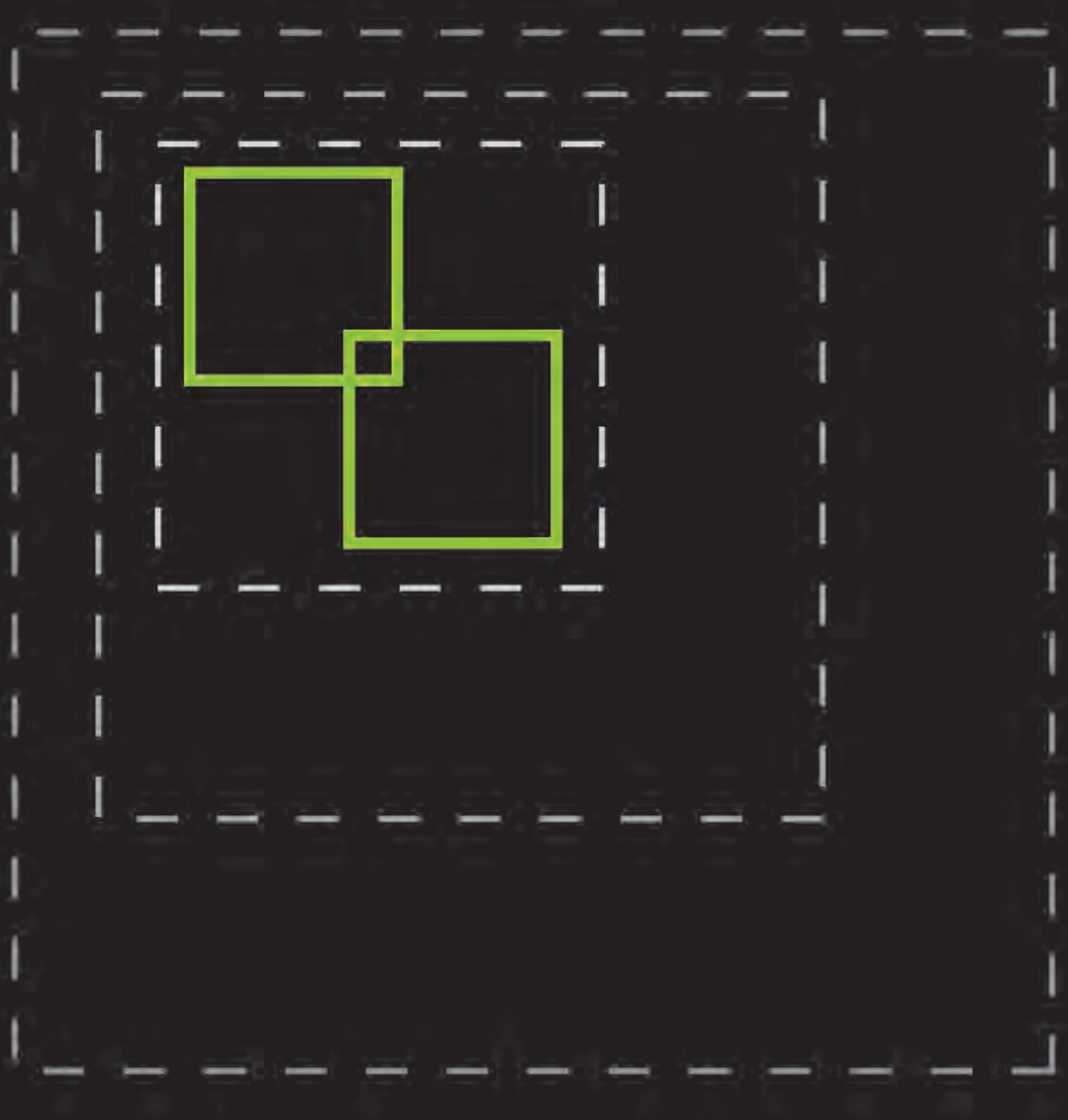
They don't care about fancy titles, are unimpressed with the need to do specific tasks in specific ways merely because a boss wishes them to, and want their work to have meaning. Since one worker's passion is another's drudgery, organizations will have to adopt creative, unorthodox methods if they are to benefit from the energy and efforts of the new generation.

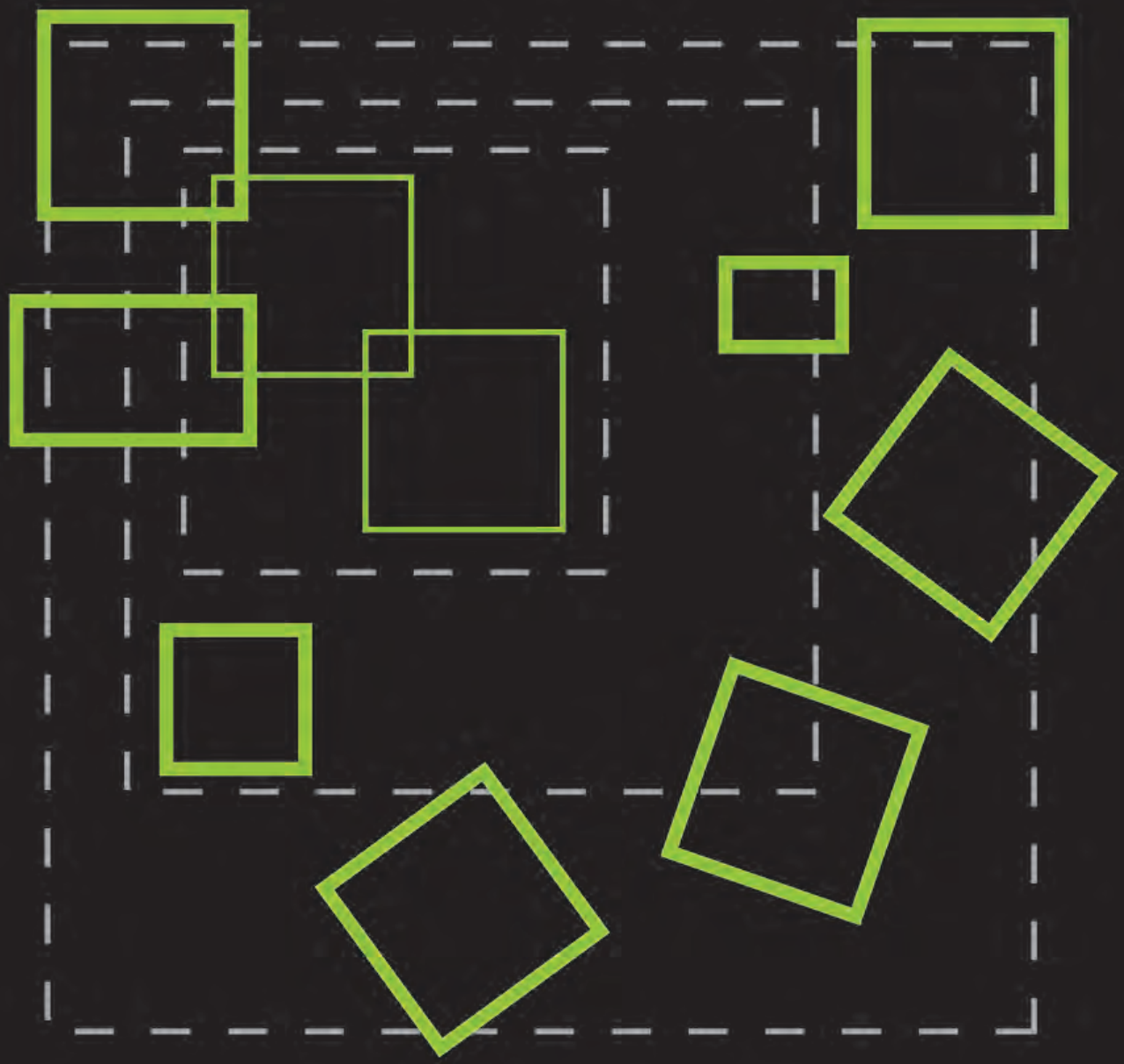
From *Career Pandemonium: Realigning Organizations and Individuals* by Brousseau, Driver, Eneroth, Larsson

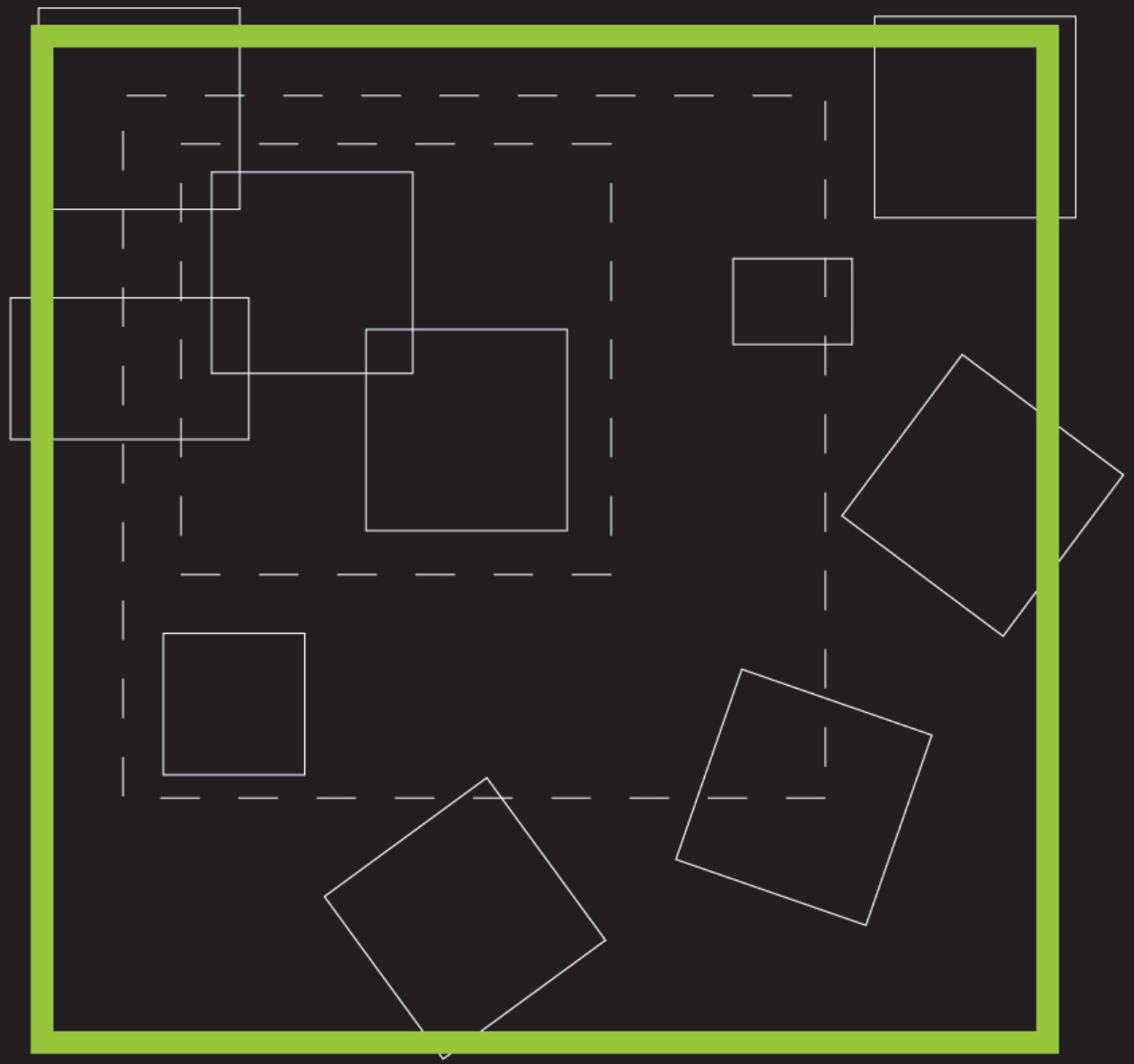
The Next Generation

Identify issues nobody else has identified
Solve problems that nobody else has solved
Make existing things better, invent new things.

Make an impact!







A Case for Leadership

A clear and powerful vision

A creative environment low in bureaucracy

Stimulating work enabling employees to grow their talents

Individual and organizational meritocracy

A Case for Leadership

Your behavior as leaders sets the tone and expectations for employees.

Young professionals are smart and savvy.

They will not follow those who don't practice what they preach.

A Case for Leadership

The Millennial Mantra:

Show us clearly whom we should seek to serve,
show us where our core strength lies,
show us where we should focus and which
actions must be taken today, and
we will reward you by working our hearts out to
make our better future come true.

From: *The One Thing You Need* To Know by Marcus Buckingham (2005)

A Case for Leadership

The terms "health, safety, and welfare" have been stripped of their larger meanings, summoning mainly regulatory mandates rather than the nobler ideals of the profession.

A Case for Leadership

Might "health" include both public and ecological health?

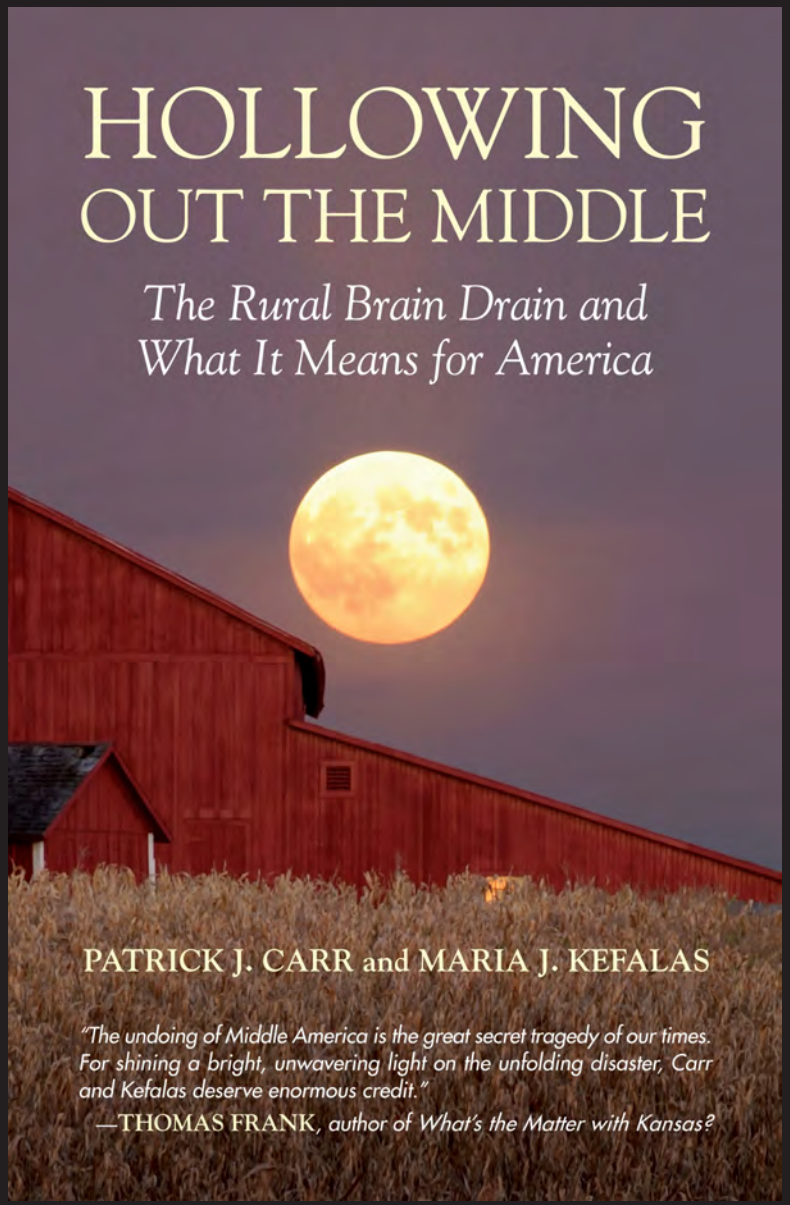
Might "safety" include not only the proper number of fire exits and staircases or correct beam sizing, but safe streets and neighborhoods?

Might "welfare" include social and economic opportunities and sustainable communities?

From *Building Community: A New Future for Architecture Education and Practice* by Ernest Boyer and Lee Mitgang (1996)

A Case for Leadership

"The emptying out of small towns is a national concern, but there are strategies for arresting the process and creating sustainable, thriving communities."



A Case for Leadership

Perhaps never in history have the talents, skills, the broad vision and the ideals of our professions been more urgently needed.

We could be powerfully beneficial at a time when the lives of families and entire communities have grown increasingly fragmented, when cities are in an era of decline and decay rather than limitless growth, and when the value of beauty in daily life is often belittled.

We should be among the most vocal and knowledgeable leaders in preserving and beautifying a world whose resources are in jeopardy.

From *Building Community: A New Future for Architecture Education and Practice* by Ernest Boyer and Lee Mitgang (1996)

If you wait for the future to happen,
you will not have a desirable future.

3 ACTIONS FOR TODAY

1. Your Leadership & Relevance

Exercise more strategic optimism...

but with more constructive paranoia.

2. Invest in The Next Generation

Build your talent brand by implementing best-in-class strategies for recruiting and retaining talent.

However, you will need more than just strategies.

Today's profession requires attention to both talent and teamwork, building leadership as both an individual skill and organizational capability.

3. Embrace Change and Uncertainty

We must overcome resistance to new insights, initiatives, and paradigms, hire staff who can apply systems thinking, champion the power of design thinking, and develop collaborative learning capabilities among different, equally knowledgeable people.

Much of your success will be determined not by circumstance, but by attitude. This is something over which you have a great deal of control.

"My interest is in the future because I'm going to spend the rest of my life there."

- Charles Kettering (1876-1958)
U.S. Electrical Engineer

Jonathan K. Bahe
Associate Consultant
Greenway Group

jbahe@greenway.us

www.greenway.us

www.di.net/blog

Twitter: @jbahe

Facebook: www.facebook.com/jbahe